



FINANCE COMMITTEE

NOVEMBER 16, 2009

MINUTES

I. CALL TO ORDER

Chair Nancy Backus called the meeting to order at 6:30 p.m. in the Council Conference Room at Auburn City Hall, located at 25 West Main Street in Auburn. Chair Backus, Vice Chair Bill Peloza and Member Lynn Norman were present. Present during the meeting were City Attorney Daniel B. Heid; Finance Director Shelley Coleman; Human Resources and Property/Risk Management Director Brenda Heineman; Public Works Director Dennis Dowdy; Chief of Police Jim Kelly; and City Clerk Danielle Daskam.

II. CONSENT ITEMS

A. Approval of Minutes

1. **Minutes of the November 2, 2009 Finance Committee meeting.**

Vice Chair Peloza moved and Member Norman seconded to approve the November 2, 2009 minutes.

MOTION CARRIED UNANIMOUSLY. 3-0.

B. Vouchers

1. **Claims**

F4.9.5

Claims check numbers 390055 through 390463 in the amount of \$5,523,072.26 and dated November 16, 2009.

2. **Payroll**

F4.9.2

Payroll check numbers 527642 to 527749 in the amount of \$778,716.45 and electronic deposit transmissions in the

amount of \$1,218,937.64 for a grand total of \$1,997,654.09 for the pay period covering October 16, 2009 to November 10, 2009.

Committee members reviewed the consent items and briefly discussed claim vouchers 390235, 390055, 390057, 390067, 390074, 390077, 390288, 390304, 390305, and 390414.

Vice Chair Pelosa moved and Member Norman seconded to approve the vouchers.

MOTION CARRIED UNANIMOUSLY. 3-0.

III. ORDINANCES AND RESOLUTIONS

A. Ordinances

1. Ordinance No. 6274

F3.22

An Ordinance of the City Council of the City of Auburn, Washington, authorizing the levy of regular property taxes by the City of Auburn for collection in 2010

Finance Director Coleman presented Ordinance No. 6274 for consideration.

Chair Backus suggested setting the property tax levy at 101 percent plus \$1 million. Director Coleman stated that at the 101 percent plus \$1 million level, the increase in the property tax levy would be \$1,129,644 and the percent increase in revenue from the previous year would be 8.7 percent. The total levy would be \$14,094,060.

Committee members discussed the effect of the property tax levy and decreases/increases in property valuations.

Vice Chair Pelosa expressed opposition to the increase in the property tax levy above the 101 percent level. Vice Chair Pelosa stated that he is not convinced the Mayor has scrubbed the budget and suggested activities could be removed from the Parks Department. Vice Chair Pelosa

stated he wanted to be assured that activity classes are self supporting.

Director Coleman advised that the City is facing a \$5 million budget shortfall. Department Directors have reduced their budgets by \$1.2 million.

Vice Chair Peloza inquired as to the effect of the increase in property tax levy on a \$200,000 home. Chair Backus responded that the proposed increase in property tax is approximately \$50 to \$60 per year for a \$200,000 home.

Human Resources and Property/Risk Management Director Heineman advised that even with the additional \$1 million increase in the property tax levy, every department will face cuts and reductions in force.

Vice Chair Peloza stated that he is opposed to the 8.7 percent increase in the property tax levy; however, he will not vote against the property tax levy ordinance. He stated that he hasn't been assured that the City has made the necessary budget cuts.

Member Norman moved and Vice Chair Peloza seconded to approve Ordinance No. 6274 with the necessary changes to increase the property tax levy to 101 percent plus \$1 million.

MOTION CARRIED UNANIMOUSLY. 3-0.

B. Resolutions

1. Resolution No. 4539

O3.4.1.7, O4.4.13, F5.4.3.2

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor to submit an application to the U.S. Department of Housing and Urban Development for a Section 108 Loan to assist in the funding of the new Community Center at the Les Gove Park Campus

Member Norman requested confirmation that if the Council approves submission of the Section 108 loan application, the City can still decline the loan at a later date. Member

Norman expressed concern with repayment of the loan without taking a substantial amount of money from the Community Development Block Grant funds each year.

Finance Director Coleman stated that the Resolution only approves the loan application; the City can decline the loan after the application.

Vice Chair Pelosa moved and Member Norman seconded to forward Resolution No. 4539 to the full Council.

MOTION CARRIED UNANIMOUSLY. 3-0.

IV. DISCUSSION ITEMS

A. Transportation Benefit District

Public Works Director Dowdy reported on King County's meeting regarding implementation of a Transportation Benefit District. The County asked King County cities whether there was interest in forming a Transportation Benefit District; only the City of Duvall expressed interest. The County must have sixty percent of the cities with 70 percent of the county population in order to proceed with a county-wide Transportation Benefit District. The County is looking for revenues to pay for their outstanding bonds issued for County infrastructure. Additionally, the County has needs for reconstruction of several bridges and pavement improvements. The County has asked for a letter by November 18, 2009 from each city to opt out of the Transportation Benefit District.

B. 2010 Budget – Executive Session

At 7:15 p.m., Chair Backus recessed the meeting to closed session in order to discuss labor negotiations pursuant to RCW 42.30.140(4).

At 7:18 p.m. Chair Backus reconvened the regular meeting.

C. Utility Tenant Billing Process

Committee members reviewed the City's current utility tenant billing process. Finance Director Coleman referred the Committee members to the November 16, 2009 memo from Utilities and Accounting Services Manager Rhonda Ewing regarding tenant billing information.

(The utility tenant billing process was discussed immediately following Item IV.E.)

D. Ordinance No. 6278

2009 Budget Amendment No. 3

Finance Director Coleman distributed copies of proposed Ordinance No. 6278 amending the 2009-2010 budget. Committee members briefly reviewed the Ordinance.

(Ordinance No. 6278 was added to the agenda and discussed immediately following Item IV.E, Resolution No. 4545.

E. Resolution No. 4545

A Resolution of the City Council of the City of Auburn, Washington, authorizing the Mayor to provide notice of Council consideration of an Ordinance authorizing condemnation of property to widen a portion of South Division Street

Committee members reviewed Resolution No. 4545 which authorizes the Mayor to provide notice of Council's future consideration of an Ordinance condemning ten feet of property along South Division Street for the purpose of the promenade project.

(Resolution No. 4545 was added to the agenda and discussed immediately following Item IV.B, the executive session.)

V. ADJOURNMENT

There being no further business to come before the Committee, the meeting adjourned at 7:27 p.m.

APPROVED THE _____ DAY OF DECEMBER 2009.

Nancy Backus, Chair

Danielle Daskam, City Clerk